

S.E.L.F.

SELF Annual Budget Planner

Systematic Expansion of Leveraged Financing

John & Jane Doe

This page must be completed by a SELF Administrator

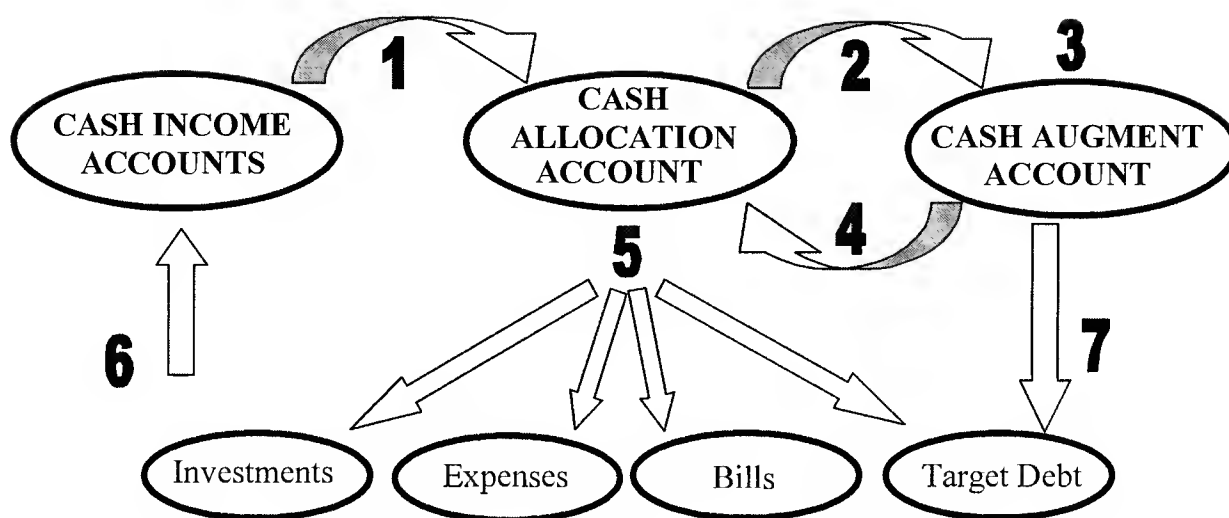
| ENTER START HERE > | DATE | Item Description | ALL Income | SELF pays | CARD pays | PAY LOAN | Loan Balance | Daily % | Comment |
|--------------------------|------------|----------------------------------|---------------|--------------|--------------|-------------|-----------------|------------|----------------------|
| Month 1 | 1-Oct Fri | Residence Mortgage | | 889.98 | | | -114,203 | -19.08 | |
| | 2-Oct Sat | Life Insurance | | 334.00 | | | -114,203 | -19.03 | |
| | 3-Oct Sun | Water | | 61.18 | | | -114,203 | -19.03 | |
| | 4-Oct Mon | BANK FEE | | | | | -114,203 | -19.03 | |
| | 5-Oct Tue | Rental Income | 720.50 | | | | -114,203 | -19.03 | |
| | 6-Oct Wed | WACHOVIA EQUITY LINE | | | | | -114,203 | -19.03 | REPLACE THIS PAYMENT |
| | 7-Oct Thu | GROCERY | | 100.00 | | | -114,203 | -19.03 | W/ SELF |
| | 8-Oct Fri | Rental Mortgage | | 577.14 | | | -114,203 | -19.03 | |
| | 9-Oct Sat | Citgo Gas | | | 85.00 | | -114,203 | -19.03 | |
| | 10-Oct Sun | | | | | | -114,203 | -19.03 | |
| | 11-Oct Mon | | | | | | -114,203 | -19.03 | |
| | 12-Oct Tue | MEDICAL/DRUGS | | 115.00 | | | -114,203 | -19.03 | |
| | 13-Oct Wed | CHASE VISA | | 4,850.00 | | | -114,203 | -19.03 | PAID IN FULL |
| | 14-Oct Thu | GROCERY | | 100.00 | | | -114,203 | -19.03 | |
| | 15-Oct Fri | Charles & Priscilla salaries | 2,179.89 | | | | -114,203 | -19.03 | |
| | 16-Oct Sat | WACHOVIA VISA | | 700.00 | | | -114,203 | -19.03 | PAID IN FULL |
| | 17-Oct Sun | Auto Insurance | | 213.25 | | | -114,203 | -19.03 | |
| | 18-Oct Mon | NEA MC | | 100.00 | | | -114,203 | -19.03 | NEXT TARGET |
| | 19-Oct Tue | | | | | | -114,203 | -19.03 | |
| | 20-Oct Wed | | | | | | -114,203 | -19.03 | |
| | 21-Oct Thu | Phone/Cable,Internet, | | 199.56 | | | -114,203 | -19.03 | |
| | 22-Oct Fri | GROCERY | | 100.00 | | | -114,203 | -19.03 | |
| | 23-Oct Sat | | | | | | -114,203 | -19.03 | |
| | 24-Oct Sun | Auto Insurance | | 17.77 | | | -114,203 | -19.03 | |
| | 25-Oct Mon | Electric, home fuels, cell | | 277.38 | | | -114,203 | -19.03 | |
| | 26-Oct Tue | | | | | | -114,203 | -19.03 | |
| | 27-Oct Wed | HALLOWEEN | | 10.00 | | | -114,203 | -19.03 | |
| | 28-Oct Thu | GROCERY | | 100.00 | | | -114,203 | -19.03 | |
| | 29-Oct Fri | Charles, Pris salaries & Pension | 3,681.47 | | | | -114,203 | -19.03 | |
| | 30-Oct Sat | PAYMENT | | | | | -114,203 | -19.03 | |
| | 31-Oct Sun | BIRTHDAYS | | | | | -114,203 | -19.03 | |
| Month 2 | 1-Nov Mon | Residence Mortgage | | 869.98 | | | -113,904 | -19.03 | |
| | 31-Aug Wed | BIRTHDAYS SEPT | | 75.00 | | | -92,155 | -15.31 | |
| Month 12 | 1-Sep Thu | Residence Mortgage | | 869.98 | | | -91,892 | -15.37 | |
| | 2-Sep Fri | Life Insurance | | 334.00 | | | -91,892 | -15.32 | |
| | 3-Sep Sat | Water | | 61.18 | | | -91,892 | -15.32 | |
| | 4-Sep Sun | BANK FEE | | | | | -91,892 | -15.32 | |
| | 5-Sep Mon | Rental Income | 720.50 | | | | -91,892 | -15.32 | |
| | 6-Sep Tue | WACHOVIA EQUITY LINE | | | | | -91,892 | -15.32 | |
| | 7-Sep Wed | GROCERY | | 100.00 | | | -91,892 | -15.32 | |
| | 8-Sep Thu | Rental Mortgage | | 577.14 | | | -91,892 | -15.32 | |
| | 9-Sep Fri | Citgo Gas | | | 85.00 | | -91,892 | -15.32 | |
| | 10-Sep Sat | | | | | | -91,892 | -15.32 | |
| | 11-Sep Sun | | | | | | -91,892 | -15.32 | |
| | 12-Sep Mon | | | | | | -91,892 | -15.32 | |
| | 13-Sep Tue | | | | | | -91,892 | -15.32 | |
| | 14-Sep Wed | GROCERY | | 100.00 | | | -91,892 | -15.32 | |
| | 15-Sep Thu | Charles & Priscilla salaries | 2,179.89 | 800.00 | | X | -91,092 | -15.32 | RESIDENCE NOTE |
| | 16-Sep Fri | | | | | | -91,092 | -15.18 | |
| | 17-Sep Sat | Auto Insurance | | 213.25 | | | -91,092 | -15.18 | |
| | 18-Sep Sun | | | | | | -91,092 | -15.18 | |
| | 19-Sep Mon | | | | | | -91,092 | -15.18 | |
| | 20-Sep Tue | | | | | | -91,092 | -15.18 | |
| | 21-Sep Wed | Phone/Cable,Internet, | | 199.56 | | | -91,092 | -15.18 | |
| | 22-Sep Thu | GROCERY | | 100.00 | | | -91,092 | -15.18 | |
| | 23-Sep Fri | | | | | | -91,092 | -15.18 | |
| | 24-Sep Sat | Auto Insurance | | 17.77 | | | -91,092 | -15.18 | |
| | 25-Sep Sun | Electric, home fuels, cell | | 277.38 | | | -91,092 | -15.18 | |
| | 26-Sep Mon | | | | | | -91,092 | -15.18 | |
| | 27-Sep Tue | | | | | | -91,092 | -15.18 | |
| | 28-Sep Wed | GROCERY | | 100.00 | | | -91,092 | -15.18 | |
| | 29-Sep Thu | Charles, Pris salaries & Pension | 3,681.47 | | | | -91,092 | -15.18 | |
| | 30-Sep Fri | PAYMENT | | | | | -91,092 | -15.18 | |
| | 1-Oct Sat | Residence Mortgage | | 869.98 | | | -90,787 | -15.18 | |

Fig. 1
Budget Plan

| item | balance | score | rate | score | term | score | monthly | score | rating | order |
|----------|---------|-------|------|-------|------|-------|---------|-------|--------|-------|
| mortgage | 125000 | 15 | 5.5 | 10 | 30 | 15 | 720 | 15 | 55 | 6 |
| visa | 7000 | 13 | 14 | 15 | 5 | 12 | 65 | 10 | 50 | 3 |
| discover | 3000 | 10 | 12 | 14 | 5 | 12 | 90 | 11 | 47 | 1 |
| student | 5000 | 11 | 6 | 11 | 10 | 14 | 150 | 12 | 48 | 2 |
| auto | 8000 | 14 | 8 | 12 | 7 | 13 | 210 | 13 | 52 | 5 |
| personal | 6000 | 12 | 9 | 13 | 5 | 12 | 215 | 14 | 51 | 4 |

Target 1 discover
 Target 2 student
 Target 3 visa
 Target 4 personal
 Target 5 auto
 Target 6 mortgage

Fig.2
Debt Ranking



1. Income, illustrated as Cash Income Accounts, is transferred to the Cash Allocation Account.
2. The Cash Allocation Account pays ALL income received to the Cash Augment Account prior to making any expense payments.
3. The Annual Budget Planner defines the total annual income and expenses and the immediate income and expenses (7, 10, 15, 30 days). The immediate expenses define the current cash needs amount.
4. The current cash needs amount is transferred from the Cash Augment Account to the Cash Allocation Account as defined by the Annual Budget Planner.
5. The Cash Allocation Account makes the usual expenses & debt payments.
6. The Annual Budget Planner identifies specific dates and amounts to make extra payments to principal only for any installment loan targeted for accelerated pay down. Extra payment amount can transferred to, then paid from the Cash Allocation Account or paid directly from the Cash Augment Account .
7. The Cash Income accounts are serviced as investment expenses from the Cash Allocation Account. Continue until the Target Debt is eliminated then identify the next target using the Annual Budget Planner.

Fig.3
Cash Flow Process

I = income
 E = expenses
 r = risk factor
 A = cash reserve
 B = current cash balance
 d = day of occurrence
 L = cash reserve balance

$A_{(0)}$ is the cash reserve at day 0 or the initial cash reserve amount multiplied by r the risk factor (ranges 10% to 40%) then add $I_{(0...d)}$ income received from day 0 to day of occurrence and minus $E_{(0...d)}$ expenses paid from day 0 to day of occurrence to define $L_{(d)}$ the Available Amount for Leveraging on day (d)

$$A_{(0)}r + I_{(0...d)} - E_{(0...d)} = L_{(d)}$$

$A_{(0)}$ is the initial cash reserve amount add $I_{(0...d)}$ income received from day 0 to day of occurrence and minus $E_{(0...d)}$ expenses paid from day 0 to day of occurrence to define $B_{(d)}$ the current cash reserve balance on day (d).

$$A_{(0)} + I_{(0...d)} - E_{(0...d)} = B_{(d)}$$

When the Available Amount for Leveraging formula is used to define specific payment occurrences on day (d) the result is a Floating Payment formula that functions on two conditions;

Condition a) if the initial cash reserve amount is greater than $B_{(d)}$ the current balance then the extra payment amount on day (d) is 0.

$$A_{(0)} > B_{(d)} = 0$$

Condition b) if the initial cash reserve balance is equal to or less than $B_{(d)}$ the current balance then the extra payment amount on day (d) is $L_{(d)}$.

$$A_{(0)} \leq B_{(d)} = L_{(d)}$$

Fig.4
Floating Payments

| Debt | Amount | Term in years | Rate | Monthly service | number of regular payments | total amount of regular payments | total amount of extra payments | total cash outlay | paid interest cost | saved interest cost | saved number of payments | saved amount of payments |
|---------------|---------|---------------|-------|-----------------|----------------------------|----------------------------------|--------------------------------|-------------------|--------------------|---------------------|--------------------------|--------------------------|
| personal loan | 10,000 | 5 | 8% | 207.58 | 60 | 12,454.80 | | 12,454.80 | 2,454.80 | | | |
| mortgage | 120,000 | 30 | 5.50% | 681.35 | 360 | 245,286.00 | | 245,286.00 | 125,286.00 | | | |
| personal loan | 10,000 | 5 | 8% | 207.58 | 10 | 2,075.80 | 8,300.00 | 10,375.80 | 365.61 | 2,089.19 | 50 | 10,379.00 |
| mortgage | 120,000 | 30 | 5.50% | 681.35 | 54 | 36,792.90 | 101,000.00 | 137,792.90 | 17,191.02 | 108,094.98 | 306 | 208,493.10 |
| TOTALS | | | | | | | | 148,168.70 | 17,556.63 | 110,184.17 | | 218,872.10 |

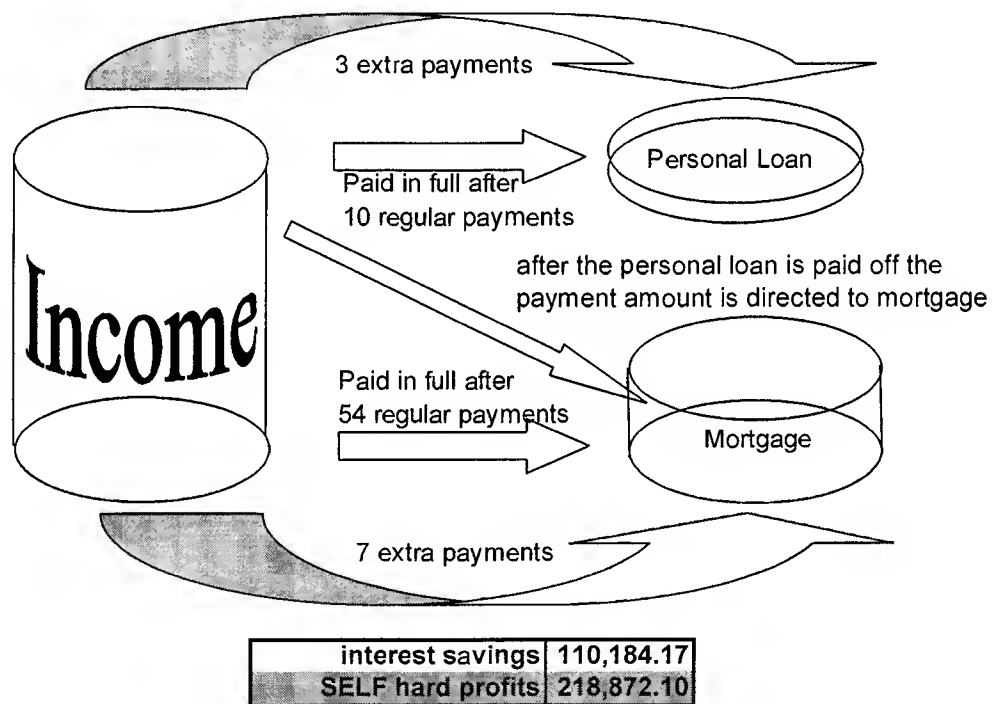


Fig.5
Maximized Profits